

South Carolina Department of Consumer Affairs
Instructions for completing
Application for Licensure as Staff Leasing Company or Controlling Person

Please carefully review the instructions listed below and the enclosed application packet for eligibility requirements. Application must be returned to South Carolina Department of Consumer Affairs, Post Office Box 5757, Columbia, South Carolina 29250 for proper handling. The application fee of \$200 per company and \$100 per controlling person must be enclosed and is **NOT** refundable.

Be advised, you may expect the screening process to take approximately 90 days from the time this office receives the completed application, all required documentation, and appropriate fees.

Basic Qualifications

Staff Leasing Company

Each licensed company or group must have at least one

Properly licensed controlling person

Employee leasing companies established after January 1, 1991 are required to have tangible accounting net worth of not less than \$50,000, and maintain positive working capital or have guaranties, letters of credit, or other security acceptable to the Department of Consumer Affairs in amounts of at least fifty thousand dollars.

Controlling Person

Be at least 18 years of age.

Be of good moral character.

Have educational, managerial, or business experience to successfully operate or be a controlling person of an employee leasing company.

To Apply Please Submit the Following:

1. The completed application including for EACH "leasing company", Parts A, B and C (notarized), and for EACH "controlling person", Part D (notarized and (3) three character references (Part E). References cannot be from a family member, employee, from an officer of a client company, or from another prospective controlling person. Please use the forms provided in this packet and duplicate as necessary.
2. \$200 application fee per company, \$300 per group, and \$100 per controlling person (this fee **must** accompany each application for **each** company and **each** controlling person). The \$2,000 staff leasing company licensure fee (\$4,000 for a group of companies -- up to five (5) with the same parent company or controlling interest), will be requested by the Department of Consumer Affairs after review and approval of the application. **Applications cannot be processed without the required application fees.** (Payable to the Department of Consumer Affairs.)
3. Leasing company documentation - included but not limited to a copy of your Articles of Incorporation and/or filing of your fictitious business name, including verification of ownership. The "controlling person" of a corporation is defined as any individual owning (in accordance with attribution rules of Section 1563 of the Internal Revenue Code), or otherwise controlling the vote of more than 10% of the stock, any officer authorized to act in behalf of the corporation, as well as any additional persons authorized by the company to enter into a contractual relationship with a client.

4. Provide independently audited accrual basis financial statements, as determined by generally accepted accounting principles, for the two (2) most recent annual accounting periods preceding the date of application, except that if the most recent accounting period ends within 180 days of the date of application, the current year's financial statement shall be submitted within 180 days of the end of the accounting period. The financial statements shall include statement of income and retained earnings, balance sheet, statement of changes in financial position (cash flows), and applicable footnotes. The financial statements are to reflect positive working capital and positive tangible net worth. The following items may be used to cover any deficit in net worth revealed by the most current financial statements in an amount sufficient to cover the deficiency: infusion of capital, an acceptable bank letter of credit, mortgages, a promissory note supported by collateral, or a guarantee where the guarantor can satisfy the Department of Consumer Affairs that the guarantor has sufficient assets to satisfy the obligation of the guarantee. In lieu of audited financial statements, a special report known as "Independent Auditor's Report on Agreed Upon Procedures" may be submitted to demonstrate net worth.
5. The applicant shall certify to the Department of Consumer Affairs that there have been no material adverse changes in the financial position of the company since the date of the last financial statements submitted with the application, if such financial statements are in excess of 180 days.
6. An original Certificate of Insurance must be issued by the South Carolina licensed workers' compensation carrier; no copies will be accepted. The Certificate must list the Department of Consumer Affairs as Certificate Holder and provide 30 days notice of cancellation.
7. Provide a schedule that discloses each client company and its assigned employees and information relating to any insurance or benefit plan for assigned employees. This information must include: type of coverage; insurer and all endorsements; amount of benefits; policy limits and whether coverage is fully insured, partially insured or fully self-funded. An Affidavit of Insurance for both workers' compensation and health plan must be signed by the respective carrier to complete the application process.
8. Provide a current Certificate of Authority for each "leasing company" which is a corporation, or a limited partnership registration from the Secretary of State for each "leasing company" which is a limited partnership, or a fictitious name authorization (if in use) from the Secretary of State for each foreign corporation.
9. Provide a copy of the contractual agreement form which will be used after licensure to engage in staff leasing with new or renewal clients. The agreement must list SCDCA at 3600 Forest Drive, 3rd Floor, Columbia, SC 29204 as the agency with jurisdiction over the staff leasing company. For further assistance call 1-803-734-4200.
10. Provide a copy of the form of written notice given to the leased employee explaining the relationship between the leasing company and the client company. The employee notice must list SCDCA at 3600 Forest Drive, 3rd Floor, Columbia, SC 29204 as the agency with jurisdiction over the staff leasing company. For further assistance call 1-803-734-4200.
11. Two (2) fingerprint cards for each controlling person. You must use only the fingerprint cards provided and must fill in all the personal data requested on each card. Failure to complete the information requested on the fingerprint card and/or indistinct fingerprints will cause a delay in processing your application. Please contact our office if additional fingerprint cards are needed, copies are not accepted. Your fingerprints should be taken at the nearest police station or sheriff's office.
12. One (1) 2" x 2" photograph of each controlling person (Attach to Part D)
13. Cross-guarantee form for all companies in a staff leasing group.
14. A statement of total gross state payroll and copies of UCE-120 forms as filed with the S.C. Employment Security Commission for the preceding calendar year, in order to determine the amount of annual assessment due with the licensure fees.

Please be advised that all documentation submitted MUST be in the legal name of the applicant. Section 40-68-140(a) S.C.C. states "No licensee shall be permitted to conduct business under more than one name unless it has obtained a separate license for each name.

Application for Licensure as Staff Leasing Services or Controlling Person

TYPE OR PRINT WITH BLACK INK.

1. Name of Company: _____
2. Name of Owner: _____
3. Mailing Address: _____
4. Main Address of Company: _____
Branch Offices in South Carolina Y N (If yes please attach complete listing of branch locations and telephone numbers)
5. Telephone Number: _____
6. Unemployment Identification Number: _____
7. Federal Employment Identification Number: _____
State Employment Identification Number: _____
8. Organization Date of Company: _____
9. Type of Business Entity: Proprietorship Partnership Corporation
List South Carolina Registered agent's name, address and telephone number: _____
10. Owner, officers, managers and controlling persons - Please print below the names, residence addresses, titles, percentage of ownership and telephone numbers of each person. COMPLETE PART "D" ON EACH LISTED PARTY WHO QUALIFIES AS A "CONTROLLING PERSON", per Section 40-68-10(4) S.C. S.

Name & Address	Social Security Number	Title	% of Ownership	Phone Number
A.				
B.				
C.				
(Attach additional sheets if necessary)				

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Yes No

12. Has the Company, any controlling person, or any owner of the company ever been convicted or found guilty - regardless of adjudication - of a crime in any jurisdiction, or have you ever been a defendant in a military court martial? (Do not include parking or speeding violations.) If yes, please list on a separate sheet, date, jurisdiction (state or county), offense, disposition, and all other relevant information and attach.
13. Have you:
- (a) Ever been refused a license, registration or certification as a staff leasing company or renewal thereof - in any state?
 - (b) Ever had a staff leasing company license revoked, suspended, or otherwise acted against including probation, fine, or reprimand in a disciplinary proceeding in any state?
 - (c) Ever been involved in or owned an interest in a staff leasing company that has been adjudicated bankrupt, filed proceedings under the Bankruptcy Act, or otherwise closed due to insolvency?
14. Is any staff leasing company license, registration or certification under investigation or pending disciplinary action in any state?

NOTE: If 12, 13a, 13b, 13c, or 14 above are answered "yes" you must complete details as to state(s), license number(s), dates and relevant circumstances on attached sheets and reference item number.

15. Is this staff leasing company a part of a group of staff leasing companies with up to five (5) companies which are under common control?

If yes, Cross Guarantee Form must be completed.

Name and Address of Primary Staff Leasing Company	Phone Number

Yes No

16. Is this staff leasing company covered by any plan of self-insurance or partial self-insurance covering leased employees for workers' compensation or life, health or disability claims? If yes, answer (a) - (d) below.
- (a) Was this plan in effect as of January 1, 1994?
If no, please indicate the effective date of plan.

 - (b) Is the plan administered by a third party?
Name of third party _____
 - (c) Is there specific stop loss insurance?
If yes, in what amount _____
Name of carrier _____
 - (d) Is there aggregate stop loss insurance?
If yes, in what amount? _____
Name of carrier _____

If no specific or aggregate stop loss insurance, attach actuarial computation attested by certified actuary as to current liability under the self-insured plan. Self-insurance is prohibited after January 1, 1994.

IF ANY INFORMATION ON THE APPLICATION CHANGES, THE APPLICANT OR LICENSEE SHALL SUBMIT SUCH CHANGES TO THE DEPARTMENT WITHIN THIRTY (30) DAYS AFTER THE DATE OF SUCH CHANGE.

I hereby certify that I have read the foregoing statements including all attachments and exhibits, and that they are true and correct to the best of my knowledge and belief. I am aware of the fact that ANY MATERIAL MISREPRESENTATION IS GROUNDS FOR DENIAL, OR SUBSEQUENT REVOCATION, OF A LICENSE.

Signature of Applicant

Date

Typed or Printed Name of Applicant

Signature of Applicant must be notarized

State of _____

County of _____

Sworn to and subscribed before me this _____
day of _____ 20____.

_____(SEAL)

NOTARY PUBLIC

My Commission Expires: _____

Part B
Worker's Compensation Certification and Release Authorization

I, _____, hereby certify that I am an authorized representative of _____ duly authorized to act on its behalf, and represent to the Department of Consumer Affairs that the Staff Leasing Company's current Worker's Compensation Carrier is:

Policy Number & a List of All Endorsements	
Name	
Address	
City, State	
Telephone Number	

I further certify that our insurance agent handling the Worker's Compensation coverage is:

Name	
Address	
City, State	
Telephone Number	

and that all premiums due as of this date have been fully paid to all Worker's Compensation insurance carriers except for disputed premiums listed below:

Carrier	Policy Number	Periods Covered	Disputed Amount

I further authorize the Department of Consumer Affairs to directly contact any insurance carrier or agent listed above to verify coverage, premium payment status, any disputed premium, and related matters. I hereby authorize each insurance carrier and agent to release the requested information to the Department, and hold them harmless for the release of this information subject to this release authorization. A photocopy of this release shall be as valid as the original.

Signature of Applicant

Date

Title

State of _____

County of _____

I hereby certify that before me, an officer duly authorized to take acknowledgements, personally appeared _____, to me known, and known to be the person described in the foregoing Worker's Compensation Certification and release authorization, and who acknowledged that he executed the same for the purposes therein stated as his free act and deed.

_____(SEAL)
NOTARY PUBLIC
My Commission Expires: _____

Part C

I, _____, hereby certify that I am an authorized representative of _____ duly authorized to act on its behalf, and represent to the Department of Consumer Affairs that State Unemployment taxes of the Staff Leasing Company are being/will be (strike one) paid to the State of South Carolina under the following account:

Federal Tax Number	
U/C Account Number	
Name	
Address	
City, State	
Telephone Number	

I further certify that all Unemployment Compensation (U/C) and Payroll taxes due to the State of South Carolina and Federal Government have been paid except as listed below:

State/Federal	Period	Amount
Attach Additional Sheets as Required		

I further authorize the release of any information by the South Carolina Employment Security Commission, the South Carolina Department of Revenue, or the Internal Revenue Service to the Department of Consumer Affairs regarding any payroll tax matters referenced herein, and hold them harmless from any consequences of such release. A photocopy of this authorization shall be as valid as the original.

Signature of Applicant

Date _____

Title

State of _____

County of _____

I hereby certify that before me, an officer duly authorized to take acknowledgements, personally appeared _____, to me known, and known to be the person described in the foregoing Unemployment Compensation Insurance Certification and release authorization, and who acknowledged that he executed the same for the purposes therein stated at his free act and deed.

(SEAL)

NOTARY PUBLIC

My Commission Expires:

Part D
Controlling Person

Type or print with black ink. Part D to be completed by the controlling person. (A separate "Part D" is required for each controlling person plus \$100 application fee.)

1. Name of Company: _____
2. Mailing Address of Company: _____
(Number & Street or P.O. Box, City, County, State, Zip)
3. Location Address of Company: _____
(Number & Street, City, County, State, Zip)
4. Business Telephone Number: _____
(Area Code/Number)
5. Location Address of Office: _____
(Number & Street, City, County, State, Zip)
6. Name of Controlling Person: _____
(Full Legal Name - First, Middle, Last)
7. Mailing Address: _____
(Number & Street or P.O. Box, City, County, State, Zip)
8. Home Address: _____
(Number & Street, City, County, State, Zip)
9. Telephone Number: _____
(Area Code/Number)
10. Social Security Number: _____
11. Date of Birth: _____
12. Identify Controlling Person: Owner Manager Other _____ % of Ownership _____
13. List below employment history for the last four (4) years, identify management and supervisory positions. (Attach additional sheets if necessary and reference item number.)

Employer & Address	Dates From/To	Telephone Number	Brief Description of Responsibility
A.			
B.			

14. Education

Name & Address of High School	Received	Date Received
	Diploma	
	GED	
	Certificate of Completion	
	Other _____	

Your name, if different from application _____

Name & Address of College, University, or Professional School	Dates of Attendance (Month/Year)	Degree(s) Received	Did you Graduate?
A.			
B.			

Your name, if different from application _____

Name & Address of Business, Technical, Trade, or Vocational School	Dates of Attendance (Month/Year)	Type of Diploma	Did you Graduate?
A.			
B.			

Your name, if different from application _____

15. List below any other financial interests in any like business. (Attach additional sheets if necessary and reference item number).

Name	Address	Description of Interest(s)
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

_____	_____	_____
_____	_____	_____
_____	_____	_____

16. Have you: Yes No

- (a) Ever been refused a license, registration or certification as a staff leasing company/controlling person or renewal thereof - in any jurisdiction?
- (b) Ever had a staff leasing company/controlling person license, registration or certification revoked, suspended, or otherwise acted against including probation, fine, or reprimand in a disciplinary proceeding in any jurisdiction?
- (c) Ever been involved in a staff leasing company that has been adjudicated bankrupt, filed proceedings under the Bankruptcy Act, or otherwise closed due to insolvency; or been an officer of a company that has outstanding delinquent obligations for federal or state payroll taxes, health insurance premiums or Worker's Compensation premiums?
- (d) Ever been involved in a staff leasing company that voluntarily surrendered its license, registration or certification in any state or jurisdiction in lieu of further investigation?

17. Is any staff leasing company/controlling person license, registration or certification under investigation or pending disciplinary action in any state?

Yes No

18. Have you ever been convicted or found guilty - **regardless of adjudication** - of a crime in any jurisdiction, or have you ever been a defendant in a military court martial? (Do not include parking or speeding violations.) If yes, please list on a separate sheet, date, jurisdiction (state and county), offense, disposition, and all other relevant information and attach.

Note: If 16a, 16b, 16c, 16d, 17 or 18 above are answered "yes", you must complete details as to state(s), license number(s), dates and relevant circumstances on attached sheets and reference item number.

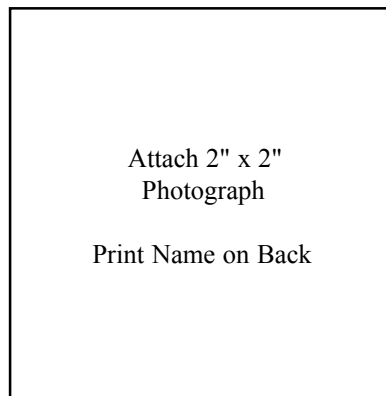
According to Title 40, Chapter 68 which regulates Staff Leasing Services

(4) 'Controlling person' means:

- (a) an officer or director of a corporation seeking to offer staff leasing services, a shareholder holding ten percent or more of the voting stock of a corporation seeking to offer staff leasing services, or a partner of a partnership seeking to offer staff leasing services;
- (b) an individual who possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of a company seeking to offer staff leasing services through the ownership of voting securities by contract or otherwise, and who is actively involved in the day-to-day management of the company; or
- (c) an individual employed, appointed, or authorized by a business seeking to offer staff leasing services to enter into a contractual relationship with a client company on behalf of the business.

IF ANY INFORMATION ON THE APPLICATION CHANGES, THE APPLICANT OR LICENSEE SHALL SUBMIT SUCH CHANGES TO THE DEPARTMENT WITHIN THIRTY (30) DAYS AFTER THE DATE OF SUCH CHANGE.

I hereby certify that the foregoing statements are true and correct. I am aware of the fact that ANY MATERIAL MISREPRESENTATION IS GROUNDS FOR DENIAL, OR SUBSEQUENT REVOCATION, OF A LICENSE.



Signature of Applicant Date

Typed or Printed Name of Applicant

Signature of Applicant must be notarized

State of _____

County of _____

Sworn to and subscribed before me this _____ day of _____ 20_____.

_____(SEAL)
NOTARY PUBLIC
My Commission Expires: _____

Part E
Controlling Person

Character Reference

State of _____

County of _____

This is to certify that before me this _____ day of _____, A.D., 20____, personally appeared _____, who is not a controlling person of the Staff Leasing Company as defined in Title 40, Chapter 68, S.C.S., and who being duly sworn, deposes and says, that (he/she) has known _____, applicant for a license as a controlling person with a staff leasing company doing business in the State of South Carolina for at least three (3) years; and, that said applicant is a person of good moral character.

Signature

Title/Organization Affiliation

State of _____

County of _____

I hereby certify that before me, an officer duly authorized to take acknowledgements, personally appeared _____, to me known, and known to be the person described in the foregoing Character Reference and who acknowledged that he executed the same for the purposes therein stated as his free act and deed.

_____(SEAL)
NOTARY PUBLIC
My Commission Expires: _____

Part E
Controlling Person

Character Reference

State of _____

County of _____

This is to certify that before me this _____ day of _____, A.D., 20____, personally appeared _____, who is not a controlling person of the Staff Leasing Company as defined in Title 40, Chapter 68, S.C.S., and who being duly sworn, deposes and says, that (he/she) has known _____, applicant for a license as a controlling person with a staff leasing company doing business in the State of South Carolina for at least three (3) years; and, that said applicant is a person of good moral character.

Signature

Title/Organization Affiliation

State of _____

County of _____

I hereby certify that before me, an officer duly authorized to take acknowledgements, personally appeared _____, to me known, and known to be the person described in the foregoing Character Reference and who acknowledged that he executed the same for the purposes therein stated as his free act and deed.

_____(SEAL)

NOTARY PUBLIC

My Commission Expires: _____

Part E
Controlling Person

Character Reference

State of _____

County of _____

This is to certify that before me this _____ day of _____, A.D., 20____, personally appeared _____, who is not a controlling person of the Staff Leasing Company as defined in Title 40, Chapter 68, S.C.S., and who being duly sworn, deposes and says, that (he/she) has known _____, applicant for a license as a controlling person with a staff leasing company doing business in the State of South Carolina for at least three (3) years; and, that said applicant is a person of good moral character.

Signature

Title/Organization Affiliation

State of _____

County of _____

I hereby certify that before me, an officer duly authorized to take acknowledgements, personally appeared _____, to me known, and known to be the person described in the foregoing Character Reference and who acknowledged that he executed the same for the purposes therein stated as his free act and deed.

_____(SEAL)

NOTARY PUBLIC

My Commission Expires: _____

Cross Guarantee Form

Pursuant to the provisions of 40-68-80, S.C.S., the undersigned, as members of the group, hereby unconditionally guarantee and promise to pay any and all financial obligations of each other member of the group.

(1) Primary Company: _____

By: _____

Attest: _____

State of _____

County of _____

Notary Public

SWORN AND SUBSCRIBED TO

before me this _____ day of _____, 20__

My Commission Expires: _____

(2) Second Company: _____

By: _____

Attest: _____

State of _____

County of _____

Notary Public

SWORN AND SUBSCRIBED TO

before me this _____ day of _____, 20__

My Commission Expires: _____

(3) Third Company: _____

By: _____

Attest: _____

State of _____

County of _____

Notary Public

SWORN AND SUBSCRIBED TO

before me this _____ day of _____, 20__

My Commission Expires: _____

(4) Fourth Company: _____

By: _____

Attest: _____

State of _____

County of _____

Notary Public

SWORN AND SUBSCRIBED TO

before me this _____ day of _____, 20__

My Commission Expires: _____

(5) Fifth Company: _____

By: _____

Attest: _____

State of _____

County of _____

Notary Public

SWORN AND SUBSCRIBED TO

before me this _____ day of _____, 20__

My Commission Expires: _____

SC Department of Consumer Affairs

Staff Leasing Services Division

3600 Forest Drive, 3rd Floor

P.O. Box 5757

Columbia, SC 29250-5757

Mark Sanford, Governor

Brandolyn Pinkston, Acting Administrator

Certification to the Department of Consumer Affairs State of South Carolina

I, _____, President and owner of _____, a staff leasing company preparing to do business in the State of South Carolina, hereby certify that _____ will not offer any self or partially self funded plans of insurance for workers' compensation, health, life or disability to any employee in the State of South Carolina. Please be advised that ERISA plans are not acceptable as fully insured health/medical plans for staff leasing companies in South Carolina. No insurance plan may be offered without prior approval from this Department.

Signature

Printed Name

Title

Date

State of _____
County of _____

Subscribed and sworn to before me a
Notary Public, this _____ day of
_____, 20__.

My Commission Expires: _____